

MODERN SLAVERY ACT 2015 STATEMENT

FINANCIAL YEAR ENDING 31 DECEMBER 2022

This statement is made by Alcentra Limited (“**Alcentra**” or “**we**”) as an entity subject to the requirements of section 54 of the UK Modern Slavery Act 2015 (the “**Act**”) in respect of the financial year ended 31 December 2022.

This statement sets out the steps taken to mitigate the risk of modern slavery and human trafficking taking place within any part of our business and our supply chains.

Our business

Alcentra is a limited liability company incorporated under the laws of England and Wales, which is authorized and regulated by the Financial Conduct Authority of the United Kingdom (the “**FCA**”). Alcentra is an asset management business with its registered office at 160 Queen Victoria Street, London EC4V 4LA.

On 1 November 2022, Franklin Resources, Inc., a global investment management organisation operating as Franklin Templeton Investments (“**Franklin Templeton**”), acquired Alcentra from the Bank of New York Mellon Corporation. Franklin Templeton is one of the world’s largest investment managers. Through distinct specialist investment managers, Franklin Templeton offers boutique specialisation on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. Alcentra is managed as an investment boutique and joins Benefit Street Partners (“**BSP**”), Franklin Templeton’s wholly owned U.S. alternative credit specialist investment manager, in offering a broad range of complementary credit strategies, including private/opportunistic debt, structured credit, high yield, special situations, long-short liquid credit and commercial real estate debt.

We acknowledge our responsibilities in respect of the Act and the prevention of modern slavery and human trafficking. In addition, we take steps to seek to ensure transparency within our organisation and with our suppliers of goods and services in relation to the prevention of modern slavery and human trafficking.

Supply Chains

We contract with a number of direct and indirect suppliers of goods and services, including suppliers of IT, office equipment and cleaning services, as well as professional services from lawyers, accountants and other advisers and consultants. We also contract for services required to support staff in our various offices and have agreements in place with third party payroll providers, pension fund managers, providers of private healthcare, employee benefits and other associated services required to support our employees. In addition, Alcentra contracts with a number of financial services firms in relation to the investment management, administration and distribution of Alcentra products and the provision of its services.

Due to the nature of the goods and services supplied, the majority of suppliers in our supply chain are not located in countries or sectors that are considered to be at high risk of exposure to human trafficking or slavery.

Policies in Relation to Modern Slavery and Human Trafficking

We are committed to ensuring that none of our members of staff and none of the vendors they contract with, have any involvement in human trafficking and modern slavery. This is consistent with the principles of our Anti-Bribery Policy, which outlines the steps that Alcentra follows to achieve zero-tolerance against bribery and corruption, as well as our Code of Ethics, which requires our staff to uphold the highest level of ethical conduct in their day-to-day business. Additionally, our employee policies further reflect our commitment to acting ethically and with integrity in all our business relationships.

We also have whistleblowing procedures in place to encourage the reporting of unethical or illegal conduct to internal teams.

Due Diligence

Employees

Recruitment at Alcentra is conducted through an online application system either directly by the candidate or via a third-party supplier such as a Alcentra contracted recruitment company. Applications for all roles (permanent, temporary and contract) are reviewed and appropriately experienced candidates are invited for interview. Reference and background checks are carried out on all prospective employees, using a third-party specialist company, and proof of the right to work in the UK is mandatory.

Alcentra base salary levels and benefit provision are set with reference to appropriate market benchmarking data (third party industry surveys), which are regularly reviewed. We also take into account any mandated minimum pay levels, fair pay and any other relevant legislation when setting base salary levels and benefit provisions. All salary payments are made directly to each employee's personal bank account.

Vendors

All direct vendors that we use, many of which are financial and professional services organisations which are themselves subject to strict regulation, are considered to be at a low risk of exposure to human trafficking and modern slavery. Where applicable, we endeavour to include appropriate terms in our contracts to confirm vendor compliance with the Act. Staff involved in recruitment and vendor sourcing are made aware of our policy.

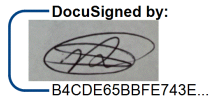
Supplier adherence to our values and our assessment of risk

We have a zero-tolerance approach to modern slavery and human trafficking. Where relevant, those in our supply chain and our contractors are required to comply with these values. Given the nature of the services that we offer, we consider that the risk of modern slavery or human trafficking in our business and its supply chain is low.

Training

To seek to ensure the risks of slavery and human trafficking in our supply chains and our business are understood, appropriate training, including in respect of anti-money laundering and anti-corruption, is provided to relevant members of staff.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2022. The board of directors of Alcentra has reviewed and approved this statement on 10 May 2023.



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Director

Alcentra Limited

Date: 5/12/2023